MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2022/2023

BCB2044 – COMPENSATION AND BENEFITS

(All sections / Groups)

10 JULY 2023
9:00 a.m – 11:00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 3 pages with 4 Questions.
2. Attempt **ALL** questions. The distribution of the marks for each question is given.
3. Students are allowed to use non-programmable scientific and financial calculators.
4. Please write all your answers in the Answer Booklet provided.

Nestle Malaysia - a GREAT place to Work.

When it comes to the most popular graduate recruiters in the fast-moving consumer goods (FMCG) industry in Malaysia, there's one name that stands on top, the Nestlé Group. For the 10th consecutive year, M100 awarded Nestlé Malaysia the Graduate Employer of Choice for the FMCG sector, based on the votes of more than 30,600 students and graduates on their preferred graduate employers.

At Nestlé, Nestlé have a culture of growing their people to manage and lead the business. Nestlé offer great career opportunities for aspiring individuals with outstanding qualities and capabilities and for those who wish to excel in their careers. At Nestlé, it is important to give people the opportunities for life-long learning. All Nestlé, employees are called upon to upgrade their skills in a fast-changing world.

In line with it's culture of excellence, Nestlé employees are valued for behaviors which reflect:-

Performance - consistently achieve their deliverables and add value to the organization.

Unlocking of Potential - demonstrate capability beyond their current scope of function and show high performance deliverables.

Positive Values - demonstrate the courage and ability to handle stress, being open minded and able to create a climate of innovation.

At Nestlé, employees will be recognized for their contribution with a competitive salary and benefits package. Employee also benefit from savings plans, insurances and discounted or free Nestlé products.

Nestlé, offer employees opportunities to develop their career in different countries around the world. Global mobility plays an important part in developing Nestlé's talent and Nestlé brands.

Nestlé, employee health programs will help employees develop and maintain a healthy lifestyle, with health checks, health care, onsite cafeterias and fitness centres, sport and other activities.

Nestlé being a Nutrition, Health and Wellness Company, recognize the importance of finding the right balance between being at work and home. The Nestlé Recreational Club, Reaching Out to Community & Kids (ROCKs) Program and The Management team often encourage Work Life Balance by giving the opportunity to employees to participate in community activities, employee gathering's, sports activities, Family Day and many more. These fun and exciting activities are carried out throughout with the participation of all levels of employees.

At Nestlé, they believe a happy and well rounded employee helps make Nestlé, a GREAT place to Work.

Adapted from: https://www.nestle.com.my/careers/great_place_to_work/quality_worklife

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QUESTION 1

a) Using the information provided above, analyze and explain the different forms of total returns that Nestle Malaysia provides to its workers.

(15 marks)

b) Having comprehensive and precise information about job requirements and competencies is crucial for companies to design a benefits package that can yield favorable human resource outcomes like performance, job satisfaction, and retention.

Describe **TWO (2)** sources of job analysis information.

(10 marks)
(Total: 25 marks)

QUESTION 2

a) Using Equity theory as a guide, discuss **FIVE (5)** potential impact of how inequalities in pay can affect employees' drive to perform and excel at work.

(15 marks)

b) Flexible benefits plan allow employees to select the types and amount of benefits that they want.

Is it advisable for Nestle Malaysia to adopt flexible benefits plans? Explain **TWO (2)** potential benefits of this strategy.

(10 marks)
(Total: 25 marks)

QUESTION 3

a) External competitiveness holds significant importance as the remuneration offered by a company impacts the calibre and cost of its employees, along with its capacity to attract and retain competent employees. Discuss **THREE (3)** factors that influence Nestle Malaysia external competitiveness.

(15 marks)

b) Pay-for-performance plans signal a movement away from entitlement toward pay that varies with some measure of individual or organizational performance. Merit pay is the most widely applied of the individual performance pay plans, and it takes two main forms: merit increments and merit bonuses.

Discuss **TWO (2)** reasons why do companies prefer merit bonuses over merit pay increases?

(10 marks)
(Total: 25 marks)

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QUESTION 4

Based on a recent market survey done, it was reported that the compensation of several key jobs at Nestle Malaysia will need to be revised. As the Human Resource Director, develop a revised salary structure for the position of buyer and senior buyer based on the data provided below.

The CEO had instructed you that the new salary structure should consider the following criteria.

i. To entice new hires from the job market and keep current employees, it is necessary to a set market lead policy where employees' salary must be at **10% above market rate**.

ii. The "**Single–Step**" approached will be used.

Table 1: Job Market Survey Data, 2022

Position	Grade	Market Average
Buyer	I	3500
	II	3800
Senior Buyer	I	4000
	II	4300

a) Based on the above information in Table 1, prepare the revised salary structure using the following table as a guide.

(12 marks)

Position	Grade	Market Average	Minimum	New Midpoint	Maximum

b) Based on the table below, calculate the Compa – Ratio for the following employees using the new midpoint. Round off your answer.

(6 marks)

Position	Grade	Name of worker	Salary
Buyer	I	Abigail Lim	3500
	II	Haslin Abdullah	4200
Senior Buyer	I	Ahmad Zahidi	5700

c) Based on your answer in question 4(b), analyse the salary structure of the employees at Nestle Malaysia. Include in your answer a discussion of whether the employees are overpaid, underpaid or paid according to market rate.

(7 marks)
(Total: 25 marks)

End of Paper